GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:450
ANSWERED ON:08.08.2014
WOMEN SHGS DEVELOPMENT FUND
Puttaraju Shri C.S.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has set up women Self Help Groups(SHGs) Development Fund to empower women and promote SHGs;

(b) if so, the objectives and the salient features of the said Fund;

(c) the details of the districts identified for financing the women SHGs projects from the Fund;

(d) the details of funds sanctioned, released and utilized for the last two years and the current year; and

(e) the other steps taken to empower and promote women SHGs and the outcome thereof?

Answer

(MINISTER OF FINANCE IN THE MINISTRY OF FINANCE) (SHRI ARUN JAITLEY)

(a) to (e) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of LokSabha Starred Question No. 450 for answer on 08thAugust, 2014 tabled by Shri C.S. Putta Raju regarding 'Women SHGs Development Fund".

(a) & (b): Yes, Madam. As per the budget announcement of 2011-12, Ministry of Finance, Government of India has set up a 'Women Self Help Group Development Fund' with a proposed corpus of Rs.500 crore in National Bank for Agriculture and Rural development (NABARD) for three years i.e. up to 2013-14.
Objective of the Fund:

1) To provide access to sustainable banking services to the poor households in rural areas by formation and nurturing of Women SHGs. 2) To converge other development programmes aimed at poor women/households through these groups. 3) To promote and support livelihood development programmes for the poor through SHGs. 4) To empower the poor women socioeconomically through these initiatives. Salient features of the fund: 1) The Scheme is being implemented in 150 identified Left Wing Extremism (LWE) and Backward districts across 28 States through identified NGOs/Support organizations. The NGO serve not merely as an Self Help Group Promoting Institution (SHPI) for promoting and enabling credit linkage of these groups with banks, but also as Banking/business facilitators, tracking, monitoring these groups and also being responsible for loan repayments. 2) NABARD supports awareness programmes and capacity building programmes for all identified members of the participating banks and other key stakeholders of the programme. 3) The identified NGOs will be eligible for grant assistance from NABARD upto a maximum of Rs.10,000 per SHG promoted and nurtured. 4) The banks lend to SHGs at a rate not more than bank's base rate plus 5% p.a. 5) A service charge of 5% p.a on monthly average outstanding credit is payable by the bank to the respective NGOs/ partner organisations. The service charge is expected to meet the administrative, transaction and risk cost of the NGOs.

(c) The details of districts identified for financing the WSHGs project is attached at Annex.

(d) The details of Funds sanctioned, released andutilized are as follows:

As on	Fund released by Govt. to NABARD (Rs.in crore)	No. of SHGs formed	No. of SHGs Saving Linked	No. of SHGs Credit Linked	Amount of Grant utilise (Rs. in crore)
31st Mar, 2012	100.00	-	-	- -	
31st Mar, 2013	-	1,34,275	50,001	11,106	16.99
31st Mar, 2014	84.183	1,88,583	1,49,820	50,875	34.37

(e) The Self Help Group Bank Linkage programme pioneered by NABARD, continues to be the largest micro finance programme with an outreach of 10 crore rural households. As on 31 March 2013, 73.18 lakh SHGs have been Savings linked, of which 59.38 lakh are

exclusive Women SHGs. NABARD has been continuously supporting training and capacity building of different stakeholders of SHG Bank Linkage programme such as bankers, NGOs, government officials, SHG members and trainers. Cumulatively, over 30.34 lakhs stake holders have been trained as on 31stMarch 2014. The Ministry of Rural Development, Government of India has launched National Rural Livelihood Mission (NRLM) whose mandate is to establish strong, inclusive and financially sustainable institutions of the rural poor women for promoting sustainable and viable livelihoods including placement linked skilling. The scheme has provision for interest subvention to cover the difference between the Lending Rate of the banks and 7%, on all credit from the banks/ financial institutions availed by women SHGs, for a maximum of Rs.3,00,000 per SHG. In select 150 most backward districts referred to as Category − I districts, the women SHGs get additional subvention of 3% on prompt repayment.

Under another sub component of NRLM, `Mahila Kisan Sashaktikaran Pariyojana (MKSP), members of women SHGs are equipped with productivity enhancement and business services by making systematic investments to enhance their participation and productivity in agriculture based livelihoods. A total of 65 MKSP projects spread over 117 districts across 15 States are currently being implemented. The total outlay of the project is 796.77 Crores. As of March 2014, MKSP has reached out to 24.5 lakh Mahila Kisans.

A special programme titled 'Women's Empowerment and Livelihoods Programme' supported by International Fund for Agriculture Development is being implemented by NABARD in seven districts of UP and Bihar since 2009. The programme is based on the SHG concept but has an additional thrust of livelihood promotion in the matured SHGs. The goal of the programme is holistic empowerment of rural poor women and adolescent girls supported by sustainable and improved livelihood opportunities. It also aims at strengthening of local institutions related to livelihood development. As on 31stMarch 2014, 9129 Women SHGs have been promoted, 6861 WSHGs have been Savings linked and 2580 WSHGs have been provided credit by Banks under the programme.